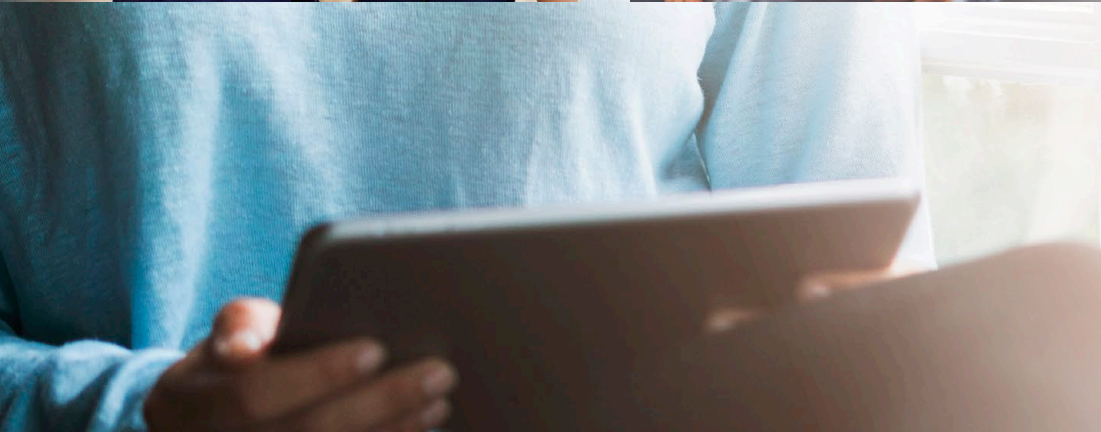
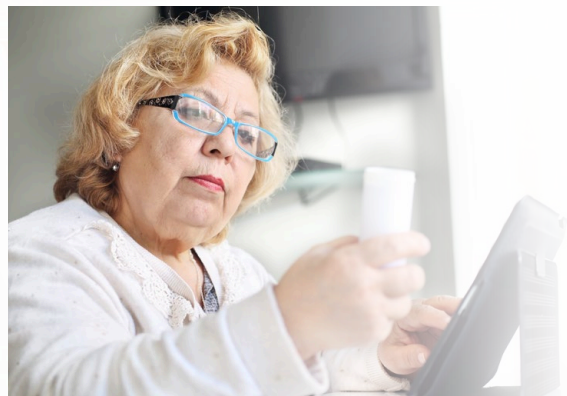


Year in review

2017 – 2018





About Canada Health Infoway

Canada Health Infoway (Infoway) helps to improve the health of Canadians by working with partners to accelerate the development, adoption and effective use of digital health across Canada. Through our investments, we help deliver better quality and access to care and more efficient delivery of health services for patients and clinicians. Established in 2001, Infoway is an independent, not-for-profit organization funded by the federal government.

The deputy ministers of health for the 10 provinces, three territories and the federal government make up the Members of the Corporation. Some of these Members also serve on Infoway's Board of Directors, which includes leaders from Canada's public, health, legal, financial and technology sectors.

The views expressed in this Annual Report represent the views of Infoway or other persons as indicated, not the Minister of Health or any representative of the Government of Canada.

Contents



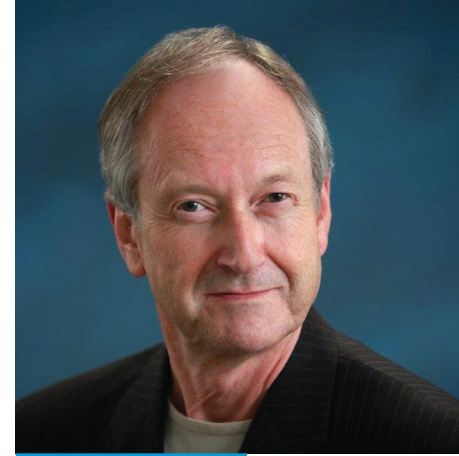
| | |
|---|-----------|
| Message from the Board Chair and President and CEO | 2 |
| Performance Against 2017-2018 Objectives | 5 |
| Progress on Availability, Use and Benefits | 15 |
| Infoway's Current Focus: Driving Access to Care | 21 |
| Priorities for 2018-2019 | 26 |
| Leadership and Governance | 27 |
| Financial Results | 33 |

Message from the Board Chair and President and CEO

Through significant activity in 2017-2018, Canada Health Infoway has continued to improve the health of Canadians by accelerating the use of digital health across Canada.

PrescribeIT™, a financially self-sustaining, multi-jurisdiction e-prescribing service introduced by Infoway only last year, is already providing safer and more effective medication management by enabling prescriptions to be electronically transmitted to a patient's pharmacy of choice.

Five communities across Ontario and one in Alberta have already implemented the limited production release of PrescribeIT™ and as of March 31, 2018, Infoway is working with six provinces (AB, MB, ON, NS, NL, NB), representing 61 per cent of the Canadian population, to expand the use of this service and ensure medication safety for more Canadians. Extensive stakeholder and industry engagement has been instrumental in the unprecedented level of progress made to date. Establishment of a robust governance structure will ensure the continued success of PrescribeIT™ as it continues to improve patient safety, convenience and the overall quality of care by eliminating hand-written and faxed prescriptions.



A handwritten signature in black ink that reads "Peter Vaughan".

Dr. Peter W. Vaughan
Board Chair



A handwritten signature in black ink that reads "Michael Green".

Michael Green
President and CEO

PrescribeIT™ is an excellent example of Infoway's evolving business model and approach, which has at its core the objective of *driving access to care*. In 2017-2018, Infoway investigated a number of opportunities to improve Canadians' access to their personal health information and provide them, and their clinicians, with the digital tools and services they need to better manage their health. A key attribute of these investigations was a focus on vulnerable populations.

For this reason, we are especially proud of a partnership that we established this year with Kids Help Phone. As a first step, we collaborated to introduce a texting service that allows youth with mental health or other issues to text rather than phone to discuss their concerns. *Crisis Text Line powered by Kids Help Phone* was rolled out initially in Manitoba, with enthusiastic reviews by the youth who are benefitting by texting a special number to connect with a trained volunteer Crisis Responder who is available to "talk through texting" about any subject big or small. The service is free — requiring no data plan, internet connection or app — and is especially relevant for young people living in remote or rural areas where such services can be limited. Similarly, Infoway is working with the Cowichan Tribes in northern British Columbia to expand their very successful community electronic medical record and patient portal to 226 First Nations across 10 provinces/territories.

We are especially proud of these initiatives and are excited about leveraging these and other projects to improve Canadians' access to care, the quality of the care they receive and the efficiency of the health system.

While our business model and approach are evolving to focus on access to care, we must not lose sight of the significant value that has accrued to Canadians and our health system as a result of Infoway's investments in foundational digital health systems. These systems — diagnostic imaging, drug information systems, telehealth and telehomecare, and physician and ambulatory clinic electronic medical records — have yielded an estimated \$26 billion in benefits in terms of cost savings and efficiencies since 2007. We always knew that the true value of these investments would be realized once systems were connected and being used by vast numbers of clinicians, and a recent study commissioned by Infoway backs this up. The study estimates that on an annual basis, connected health information produces \$1 billion in health system value, \$189 million in economic productivity gains, 18 million hours in time savings for patients, and 5.9 million hours in time savings for providers. We anticipate a significant increase in this value as solutions are enhanced with new features and functionalities, and as these solutions are more fully adopted and integrated into point-of-care systems and clinical practices.

We hope that you will take some time to review our 2017-2018 Annual Report to find out more about our progress and our new initiatives. We are proud of the work that we do and are grateful for the support of so many. Success is not possible without the support of Health Canada. The federal government's \$300 million investment in Infoway in Budget 2017 underscores the government's confidence in Infoway and the transformative power of digital health. Our jurisdictional and industry partners, upon whom we rely, have also been supportive as we continue to evolve our business model. Finally, we are thankful to Canadians, who continue to lend their voices to inform our strategy and to inspire us through their stories. The Infoway Board, leadership team and employees work hard because we believe in our vision of a healthier Canada and are committed to achieving our goals.

Highlights from 2017-2018

An estimated
\$26 billion

in benefits (cost savings and efficiencies) have accrued to Canadians and our health care system since 2007 as a result of investments in connected health information, telehealth and telehomecare, drug information systems, diagnostic imaging, and physician and ambulatory clinic electronic medical records (EMRs).



Annually, connected health information currently produces an estimated:

\$1 billion in health system value
18 million hours in time savings for patients
5.9 million hours in time savings for providers
\$189 million in economic productivity gains



Every **\$1 invested** in telehomecare programs generates more than

\$4 in health system value

in the first year alone.



85% of primary care physicians in Canada reported using an EMR in 2017.



In 2018, nearly
191,000
clinicians

across Canada were active users of electronic health records (EHRs), an increase of more than 300 per cent in the past five years.



More than
31,500

Canadians with congestive heart failure and chronic obstructive pulmonary disease have benefitted from telehomecare programs since 2010. They avoided **45,000 emergency department visits** and more than **26,000 hospitalizations**, representing **188,000 hospital days**.

As of March 31, 2018, PrescribeIT™ was working with:

6 provinces
27 retail pharmacy companies
3,400 stores



Performance Against 2017-2018 Objectives

Infoway's Summary Corporate Plan for the 2017-2018 fiscal year defined four goals, each with specific performance expectations.

The corporation's 2017-2018 operational plan was aligned with the Summary Corporate Plan. This section describes our progress on the performance expectations.

1. Promote Medication Safety, Patient and Provider Convenience and Efficiency Through a Multi-Jurisdiction e-Prescribing Solution (PrescribeIT™)

Launch the Limited Production Release of the PrescribeIT™ service in two provinces with participation from the targeted number of prescribers, pharmacies, electronic medical record and pharmacy management system suppliers.

The limited production release (LPR) of PrescribeIT™ went live in several sites in Ontario (Huntsville, Kingston, Thorold, Niagara-on-the-Lake and Virgil), followed soon after by Alberta (Lethbridge). As of March 31, 2018, the LPRs were going well and providing valuable information that will help improve the service and the underlying technology. Participants include 62 prescribers at 16 clinics, 17 pharmacies, one electronic medical record (EMR) and one

pharmacy management system (PMS). In addition, 20 prescribers and 40 pharmacies are in the process of registering to use the service. Infoway has signed agreements with five additional EMR vendors and one PMS vendor, and is working with them to integrate PrescribeIT™ into their systems.

A formal governance structure was developed for PrescribeIT™, including a board committee, working groups, task forces and a planned consultation approach. Initial reaction to the plans from key stakeholders has been positive.

Infoway's commitment to working with stakeholders is an important part of PrescribeIT™ activities. During the fiscal year, Infoway exhibited or presented at more than a dozen related conferences and events, in addition to delivering roughly 175 presentations to stakeholders. Infoway also ensured that the privacy oversight community and ministries of

health were informed about and engaged in the development of PrescribeIT™, including in-depth engagement with the Offices of the Privacy Commissioners and Ministry of Health representatives in each of the early adopter jurisdictions.

Privacy and security are key to the success of PrescribeIT™. During the fiscal year, Infoway:

- Implemented a privacy and security program, including supporting procedures and mandatory privacy and security training for Infoway employees;
- Implemented privacy and security compliant agreements, templates and Release 1 features;
- Conducted Privacy Impact Assessments (PIAs) and Threat Risk Assessments; and
- Conducted a baseline privacy and legal review of information flows and authority models for all jurisdictions, including contracting a legal opinion about retention practices across the country.

Expand the reach of the PrescribeIT™ service by securing commitments from one additional jurisdiction and retail pharmacy organizations representing at least 50 per cent of the retail stores in targeted provinces.

As of March 31, 2018, PrescribeIT™ was working with six provinces: Alberta, Ontario, Manitoba, Nova Scotia, New Brunswick and Newfoundland and Labrador, representing 61 per cent of the

Canadian population. Infoway had also engaged with 27 retail pharmacy companies (local, regional and national) that represent approximately 3,400 stores in those six provinces with whom we have agreements. This represents more than 50 per cent outlet share in the six jurisdictions (excluding independents). In addition, more than 1,400 prescribers, representing more than one million patients, have expressed an interest in the service.

Meet Infoway's commitments to Health Canada's Action on Opioid Misuse.

In November 2016, Infoway participated in the Health Canada/Canadian Centre on Substance Use and Addiction Joint Statement of Action to Address the Opioid Crisis. Infoway made a number of commitments and met or exceeded targeted delivery dates by:

- Launching the limited production release of PrescribeIT™;
- Establishing a national medication management stakeholder community where clinical leaders can share information and tools with others across the country to discuss, learn and apply knowledge to promote medication safety practices, leveraging collaborative platform tools;

- Conducting an environmental scan of countries that have adopted electronic prescribing for narcotics and applying the lessons learned to the Canadian context;
- Undertaking research with the Canadian Pharmacists Association to better understand the prescribing and dispensing process in Canada;
- Providing education and awareness of legislation and regulations associated with e-prescribing;
- Providing an updated national Electronic Medication Reconciliation Toolkit developed in partnership with the Institute for Safe Medication Practices Canada;
- Launching the Canadian Clinical Drug Data Set in collaboration with Health Canada's Health Products and Food Branch;
- Developing and publishing e-prescribing standards, in conjunction with a national working group, to enable interoperability for PrescribeIT™; and
- Completing the first phase of a project to improve analytics feeds in Ontario and Alberta, as the beginning of a staged roll-out across the country to provide for narcotics surveillance. Requirements and privacy considerations are under development.

In the initiative's one-year report on progress in November 2017, Infoway was recognized for its work with PrescribeIT™ that is helping curb problematic opioid use through timely, concrete actions that deliver clear results.

2. Scale and Spread Innovative Solutions

Scale and expand telehomecare solutions in at least five jurisdictions to support an additional 5,000 patients to receive care in their homes.

Telehomecare projects across five jurisdictions (British Columbia, Manitoba, Ontario, Quebec and New Brunswick) enrolled approximately 8,000 patients as of February 2018. Between 88 per cent and 97 per cent of patients who participated in these programs reported improvements in quality of life, while their satisfaction with the programs ranged from 87 per cent to 95 per cent.

Infoway refreshed its telehomecare strategy by conducting a comprehensive current state assessment and a literature review, and developing strategy options that will be incorporated into various initiatives as Infoway continues to roll out its *Driving Access to Care* strategy. The current state assessment revealed that the 31,500 Canadians with congestive heart failure and chronic obstructive pulmonary disease who have benefitted from these programs since 2010, avoided more than 45,000 emergency department visits and more than 26,000 hospitalizations, representing 188,000 hospital days. Another key finding was that for every \$1 invested in telehomecare, these programs generate more than \$4 in health system value in the first year alone.

As a result of successful deployments and evaluations of previous projects, three new projects — in Newfoundland and Labrador, Prince Edward Island and Ontario — were approved during the fiscal year.

Engage with patients/families, and support clinical and faculty peer networks, to ensure robust input into Infoway's investment priorities in digital health solutions, as well as their effective use by Canadians and their health care teams.

Every November, Infoway brings the digital health community together to celebrate Digital Health Week and the impact that digital health is making on the lives of Canadians. In 2017, its fourth year, Digital Health Week built on the success of previous years and was bigger and better than ever. More than 80 health organizations participated in activities throughout the week that generated nearly 29 million impressions through social media and traditional media outreach. Infoway also invited Canadians to show their support for digital health as Digital Health Week ambassadors, and 48 people answered the call.

Convening interested groups to advance digital health is an important role for Infoway and the annual Partnership Conference is the pinnacle event for bringing stakeholders together. The [2017 Infoway Partnership Conference](#): Connecting for Digital Health, attracted a record number of attendees, demonstrating the continued interest in

advancing the digital health agenda. The program provided a backdrop for interesting discussion necessary to achieve a collective vision of connecting patients with their health information to actively manage their health, promote medication safety, scale innovative solutions, provide thought leadership to influence policies and legislation, and lead efforts in solution architecture, clinical interoperability, standards and privacy and security.

Infoway's patient-generated report, *The Citizens' Vision for Better Health through Digital Solutions*, was published and communicated broadly, including to delegates at the National Health Leaders' and e-Health 2017 Conferences. Patients and caregivers participated at all levels of the 2017 Infoway Partnership Conference, which earned it [Patients Included accreditation](#) for the second straight year. More than 140 Canadians applied to attend Partnership as a patient partner (compared with 34 the previous year). Similarly, patient engagement activities for the 2018 e-Health Conference, in which Infoway is a conference co-host, included recruiting patient advisors for the conference and the pre-conference symposium. The Steering Committee for the pre-conference symposium, which is themed around patient engagement, is chaired by Infoway. Finally, patients have participated with and through Infoway, in various ways including: speaking engagements; a workshop as part of a national chronic disease management feasibility

study; interviews for an e-referral/e-consultation study; and advising about and testing Infoway's annual tracking survey.

Seven peer leader projects were active during the fiscal year. Each faculty association — the Canadian Association of Schools of Nursing (CASN), the Association of Faculties of Pharmacy of Canada (AFPC) and the Association of Faculties of Medicine of Canada (AFMC) — achieved the objectives of projects initiated in 2016-2017, and an additional four projects — two with CASN and one each with AFPC and AFMC — were initiated to advance the use of EMRs. Additionally, four peer leader projects were initiated to focus on supporting the scaling of innovative solutions and services through the development of curriculum content related to e-prescribing, enhancing existing digital health competency for clinicians entering practice, and facilitating patient access to personal health information.

In partnership with relevant stakeholders, invest in connected care solutions, particularly in priority areas where there is most potential for impact and to the extent that new funding for this goal is provided to Infoway.

Following the commitment of an additional \$300 million in funding announced in the federal government's Budget 2017, Infoway worked with stakeholders across the country to identify new

connected care opportunities. As well, an environmental scan and current state review of digital consumer health initiatives was completed to identify opportunities for scaling access channels that connect Canadians with their personal health information and digital services. The analysis revealed common barriers to scaling these solutions nationally and identified new approaches to tackling some of these challenges. This work will inform Infoway's direction going forward.

An investigation was conducted to understand the current e-referral and e-consultation landscape in Canada and internationally, to develop a vision for Canada, and to identify the role that Infoway can play to improve access and reduce wait times through multi-jurisdictional deployment of these digital health solutions. The analysis identified a number of viable options that will be further assessed to inform our future direction.

A feasibility study was conducted to assess the opportunity to collaborate with national health charities and implement a national chronic disease management solution for Canadians. Study activities included engagement with health organizations, vendors and patients. A national survey of more than 1,450 Canadians living with chronic disease was commissioned to confirm interest in the concept and to validate a set of services a solution should offer to be of perceived value.

Infoway collaborated with Kids Help Phone to introduce a texting service to augment current

telephone and online chat capability. This investment has already impacted the lives of youth seeking mental health services, with the vast majority of users expressing satisfaction with the service and stating that they would recommend it to a friend. Buoyed by this success, Infoway and Kids Help Phone have developed a formal partnership in pursuit of a common goal: enhancing access to mental health services for Canada's youth.

Similarly, Infoway is engaging with public and private sector stakeholders to explore innovative ways to provide e-mental health services to Canadians in need. In November 2017, for example, Infoway and the Mental Health Commission of Canada convened a workshop to discuss ways to improve access to mental health services. Infoway is also exploring the feasibility of introducing a social impact bond for mental health services as an innovative investment approach.

3. Connect Canadians to their Health Information

Through the Investment Portfolio Optimization initiative, bring existing electronic health record and electronic medical record investment projects to or near completion by June 2018 and enable further leveraging of foundational systems in deploying innovative digital solutions and patient access to their health information.

In the summer of 2016, Infoway initiated a project to accelerate the completion of all active jurisdictional projects within the EHR, telehealth, public health surveillance, and EMR & Integration programs such that, wherever possible, they are completed and/or closed by the end of June 2018. Where appropriate, Infoway has recommended the cancellation of remaining work on stalled projects and the return of unspent funds for redeployment. The original scope of this initiative included 68 jurisdictional projects with approximately \$179 million in remaining unspent funds. As of March 31, 2018, 31 in-scope projects have closed resulting in \$59.5 million being recouped. A number of other active projects have been re-scoped to accelerate their completion.

As projects are completed, Infoway will close corresponding EHR programs. For example, the Diagnostic Imaging Program recently completed its closure process, and Infoway [published an infographic](#) to highlight some of the program's achievements.

Continue to leverage current knowledge and support the deployment of patient portals in at least three jurisdictions.

In 2017-2018, Infoway approved three new projects focused on bringing access to personal health information and digital services to Canadians across 10 jurisdictions. The First Nations *Closing the Circle of Care* initiative will scale the successful investment with British Columbia's Cowichan Tribes and deploy a community EMR and personal health record (PHR) solution to 226 First Nations communities across 10 provinces and territories. In southwestern Ontario, a PHR service will be expanded to cover an area with a population of more than 3.6 million, and will be integrated with ClinicalConnect™, a secure web-based portal that gives clinicians access to their patients' electronic health information. An initiative in Quebec will provide citizens with a patient portal that will give them access to personal health information such as medications and laboratory and diagnostic imaging results.

Launch a new program to expand Canadians' access to their health information, and undertake planning of proof of concepts of the enabling platform and services with partner jurisdictions, to the extent that new funding for this goal is provided to Infoway.

Infoway is promoting a digital health ecosystem concept that will empower Canadians to take greater control of their health care, health care interactions and health outcomes. During 2017-2018, Infoway initiated work on the feasibility of such an ecosystem, focusing on these objectives:

- Enabling access to patient/citizen data, digital tools to support virtual care, and provider support tools to enhance patient care delivery;
- Enabling existing and new consumer solutions to develop, deploy and scale more rapidly;
- Connecting data and services to provide a streamlined patient experience;
- Coordinating a public-private initiative addressing the objectives above; and
- Extending the PrescribeIT™ model to other initiatives.

A number of investigations were completed, including a national scan of citizen identity capabilities and a vendor consultation to assess the industry demand for such an ecosystem.

4. Provide Digital Health Leadership

Facilitate implementation and adoption efforts by providing leadership and insights in the areas of privacy, security, solution architecture and standards, interoperability, change management, and the effective use of emerging technologies.

In 2017-2018, the Telehomecare Collaboration Forum held a webinar as well as a full-day meeting in which eight jurisdictions participated. This forum enabled collaborative discussion about plans and priorities for all programs, as well as strategies to tackle common challenges.

Infoway's Jurisdictional Implementers' Groups (JIGs) continued to provide support for EHR implementation and adoption in two investment programs: laboratory systems and enterprise architecture. These JIGs inform jurisdictional strategies regarding topics relevant to their digital health deployment projects, such as data quality, identity management, clinical adoption, and integration. JIG members come together regularly to discuss and collaborate on common implementation, deployment, operational and business issues and to share experiences and lessons learned in the jurisdictional projects.

As Infoway evolves, so too does the suite of privacy and security policies that support its initiatives. Two policies related to PrescribeIT™ were implemented during the fiscal year to ensure

the protection of personal information in all PrescribeIT™ activities, and to ensure the protection of personal information from unauthorized access, loss or damage. In addition, a Privacy and Security Assessment Policy was implemented to identify data privacy and information security risks associated with new systems and services, and to ensure that appropriate controls are in place to address them.

Infoway continued to host the pan-Canadian Privacy Forum and the pan-Canadian Health Information Privacy Group. The Privacy Forum, with representatives from health ministries, e-health agencies and oversight offices, discussed information privacy issues for digital health solutions, including PrescribeIT™. The Health Information Privacy Group is a sub-set of the Privacy Forum that includes representatives of health ministries and e-health agencies. The Group's work on common understandings related to Privacy Impact Assessments was presented at the International Association of Privacy Professionals' Canada Privacy Symposium 2017 and the e-Health 2017 Conference.

Although the activities of the Digital Health Alliance Action Plan were in their final year, work continued though a growing and engaged community of stakeholders. The [InfoCentral](#) ecosystem hosts 45 virtual communities of interest for clinicians, technology service providers, developers, standards, jurisdictions

and other e-health professionals from across the country who are contributing to thought leadership, interoperability and technical solution architecture. In 2017-2018, 22,000 visitors interacted on InfoCentral, an increase of nearly 15 per cent from the previous year.

Infoway's Clinical and Change Leadership team facilitated a number of full and half-day stakeholder workshops providing leadership and supporting best practices and insights in change management to support successful implementations and effective use of digital health solutions. The annual Change Management workshop co-hosted with HealthCareCAN was once again registered to capacity with a wait list.

During the year, Infoway provided leadership to the international digital health community by welcoming delegations from the United Arab Emirates, eHealth Ireland, and George Washington University in the United States. Infoway's CEO and executive team were also invited to speak at numerous prestigious national and international conferences and events. Notable international speaking engagements included HIMSS 2018 in the United States, eTelemed 2018 in Italy, and a virtual presentation to representatives of the biotechnology cluster in Estonia. In addition, Infoway represented Canada at the inaugural meeting of the Global Digital Health Partnership (GDHP) in Australia, joining 13 other countries and the World Health

Organization. The participating countries are now engaging in an international dialogue to learn and share lessons about effective policy design and practical delivery implementation of digital health services, focusing on five areas: interoperability, cyber security, policy environments, engaging consumers and clinicians, and evidence and evaluation. Infoway will co-chair two streams: consumer and clinician engagement, and interoperability.

Progress our Benefits Evaluation Strategy with areas of focus on sharing the findings of research into Consumer Health Solutions, conducting research to inform the creation of PrescribeIT™, and summarizing research about the value of electronic health records.

New evidence about consumer health solutions supports the value of investments to date and Infoway's plans to increase access to Canadians. Telehomecare projects have had a substantial impact on the health system, and a Personal Health Record value proposition shows enormous potential for a range of consumer facing services — saving consumers \$119-150 million annually with the potential to increase as consumer adoption grows. PrescribeIT™ has applied an evidence-based value proposition and early research findings in support of business objectives, and is well positioned to measure against performance going forward.

Connected Health Information in Canada: A Benefits Evaluation Study, summarized the value achieved through the adoption and use of electronic health records by health care professionals. The new evidence in these three areas is part of a portfolio of research and knowledge communication activities that are informing digital health progress in Canada and internationally. Infoway has initiated a performance management approach related to its strategies and Health Canada agreements. An investigation of outcomes-based funding models has led to greater emphasis on outcomes in partner agreements.

Infoway completed nine general population and/or clinician surveys during the fiscal year, including: the 2017 Canadian Nurses survey, the 2017 Diffusion of Smart Devices for Health in Canada and the 2018 Canadian Physician Survey. Ten benefits evaluation reports, four articles and three datasets were shared with stakeholders and published on the corporate website, resulting in nearly 8,000 downloads. The digital health myth-busting campaign used evidence gathered from Infoway benefits evaluation studies and other research to correct common misconceptions. The campaign generated a lot of conversation, including more than 550 Facebook comments.

Catalyze the digital health ecosystem by focusing and incenting innovation that promotes standardized approaches across the country.

InfoCentral provides convenient access to a variety of resources that enable developers to implement interfaces to health information systems faster and more efficiently. It also facilitates navigation, selection and implementation of messaging and terminology standards, and it is Canada's access point for licensed international and Canadian health information standards. The Fast Healthcare Interoperability Resources (FHIR®) Implementer Working Group is among the fastest growing communities of interest on InfoCentral, reflecting growing interest in the Health Level Seven (HL7) FHIR® emerging interoperability standard. It is also among the most productive communities, leading the way in pan-Canadian discussions and collaboration around e-referrals, SMART on FHIR®, solution architecture, tooling, and provider and client registries. Infoway launched the Canadian FHIR® Registry to incent, foster and encourage collaborative development of pan-Canadian implementations, and the Canadian content was featured at the HL7 International conference. Infoway was an event sponsor for the highly attended and growing audience at FHIR® North, Canada's FHIR® Connectathon and Apps for Health hosted by Mohawk College in Hamilton, Ontario.

The Medication Management and Change Management Network, a connected group of clinical interest and change leaders, is among the other fastest growing communities to engage and support best practices in advancing digital health. The community has contributed to meaningful dialogue around medication safety and opioid management and it continues to expand in scope and impact.

The Canadian Clinical Drug Data Set, a new national drug terminology co-developed by Health Canada and Infoway, launched in September 2017 and is critical to the success of PrescribeIT™.

Infoway's Certification Services program continues to focus on increasing its brand recognition among buyers of digital health solutions for its new certification offering — the 2017 Edition of privacy and security certification criteria. Seven solutions achieved Infoway certification during the fiscal year, and another seven have begun or committed to undertake certification reviews. The program announced its collaboration with OntarioMD to deliver benefits to the EMR vendor community in Ontario by eliminating redundancy in solution testing, and Infoway is exploring external accreditation of its program under the international standard for certification bodies, ISO 17065.

Continue to promote the benefits and appropriate use of data and analytics to enable a high-performing system in the context of the envisioned digital health ecosystem.

Infoway and the Canadian Institute for Health Information (CIHI) are working to expand our already extensive collaboration. Our organizations have common interests in supporting improved access to health data and data for health system use. Target areas of collaboration include: data collection, methodologies, indicators and analysis (e.g., health indicator development, establishment of data collection tools, data analysis); strategic planning and governance (e.g., data governance, health analytics); and communication, events and stakeholder engagement.

Infoway and CIHI are also ex-officio members of the Canada Health Information Forum (CHIF), which was established in 2017. The role of the CHIF is to advise the Conference of Deputy Ministers of Health about health information issues, initiatives and priorities that would benefit from a pan-Canadian approach, including things such as: data access and sharing; data standards; analytical capacity; and health information infrastructure.

With our partners, stimulate the Canadian economy through investment expenditures. The Conference Board of Canada estimates that every \$1 invested adds \$1.48 to GDP.

An economic impact model developed by the Conference Board of Canada estimates that digital health solution investments made by Infoway and its jurisdictional partners through the \$500 million granted by the Government of Canada in 2010 will create 10,700 person-years of employment and add about \$1.48 to overall GDP for every \$1 invested. The model also estimates that about \$319 million will be recouped by federal, provincial and territorial governments through increased tax revenues. During 2017-2018, these investments generated an estimated 131 person-years of employment, had a positive impact on GDP estimated at \$13.5 million, and enabled the federal and provincial/territorial governments to recoup approximately \$2.6 million and \$1.1 million respectively. From the time the funding was granted in March 2010 through to March 31, 2018, there has been an estimated cumulative impact of 11,000 additional person-years of employment and a \$1.13 billion increase in GDP.

During 2017-2018, the corporation also defined performance expectations related to accountability and human resources.

Accountability Requirements

Infoway continued to meet its accountability requirements by reporting quarterly to the Board of Directors on the status of program risks, issues and achievements. Unqualified reports for the annual independent financial and compliance audits were delivered to Management.

Independent Evaluation of Infoway's Performance Under the 2010 Funding Agreement

In 2018, Infoway was required to undergo an independent evaluation of its performance in achieving the outcomes contained in its 2010 funding agreement with the federal government. That funding agreement granted \$500 million to Infoway to develop and implement electronic health records, electronic medical records, and systems or tools to support integrated points of service, including consumer health solutions. The

evaluation was conducted by Bell Browne Molnar & Delicate Consulting Inc. (BBMD), and the report was very positive. BBMD did not make any recommendations about things Infoway should improve upon. This was the second performance evaluation for this funding agreement, following a positive one in 2013.

Here are some excerpts from the *March 2018 Independent Performance Evaluation* report:

“Infoway delivered strong performance in terms of its effective progress on all of the outcomes in the 2010 Funding Agreement... The 2010 Funding Agreement and Infoway's execution of it, in partnership with provincial and territorial jurisdictions and other stakeholders, have had very high impact. Health Canada and the federal government have received a strong return on investment through the 2010 Funding Agreement. The achievements related to the 2010 Funding Agreement also laid the foundation for further achievements and return on investment from initiatives related to more meaningful use of EMRs, scaling and spreading Consumer Health Solutions, and more widespread Health System Use of data.”

“Infoway has greatly contributed to more timely delivery of health care, increased productivity and interoperability, improved access to, and sharing of information. The 2010 Funding Agreement has led to economic stimulus and the creation of many knowledge-based jobs.”

“There continues to be a need for a national, multi-jurisdictional approach to eHealth in Canada, and to have a pan-Canadian organization such as Infoway to develop and deliver such an approach... The need and Infoway's contribution to addressing the need have been confirmed by reviews and other studies, as well as key informants such as jurisdictional Deputy Ministers and CIOs (or equivalent), and health providers and practitioners who were interviewed. The need is also reflected in the increasing public support and expectations of Canadians regarding eHealth.”

The evaluation report was submitted to the federal Minister of Health and the Members of the Corporation by March 31, 2018. The [full report](#) and [executive summary](#) are available on Infoway's website.

Human Resources

As Infoway transitioned from its legacy projects to its two key strategic priorities — PrescribeIT™ and ACCESS — cross-functional workshops were offered to all employees to further development opportunities. Employees also contributed to ongoing enhancements to performance management tools and processes to reflect a more agile approach.

Employee engagement continued to be a focus, with opportunities for employees to bring the STRIVE

corporate principles (service, teamwork, risk taking, innovation, value and excellence) to life through learning and development and wellness initiatives and employee events. Infoway developed and implemented a new employee engagement measurement tool to look specifically at engagement drivers as a key indicator of corporate performance and uncover actionable insights to help advance leadership and engagement initiatives as well as human resources programs and our evolving corporate culture.

As part of the corporate social responsibility program, employees gave back to local communities and refreshed our approach for future years to align with our *Driving Access to Care* strategy.

All employees completed respect in the workplace training as part of our commitment to providing a safe, healthy and respectful workplace. In addition, all employees completed privacy and security training to ensure the organization is upholding the highest standard of care when handling personal and personal health information.

Progress on Availability, Use and Benefits



Shortly after it was established, Infoway began working with the jurisdictions to build the six core systems of an electronic health record (EHR):

client and provider demographics, diagnostic imaging in hospitals, profiles of dispensed drugs, laboratory test results and clinical reports or immunizations. Infoway created 12 programs to invest in these core systems as well as the adoption of electronic medical records (EMRs) and the implementation of public health surveillance solutions, telehealth and other point-of-care solutions.

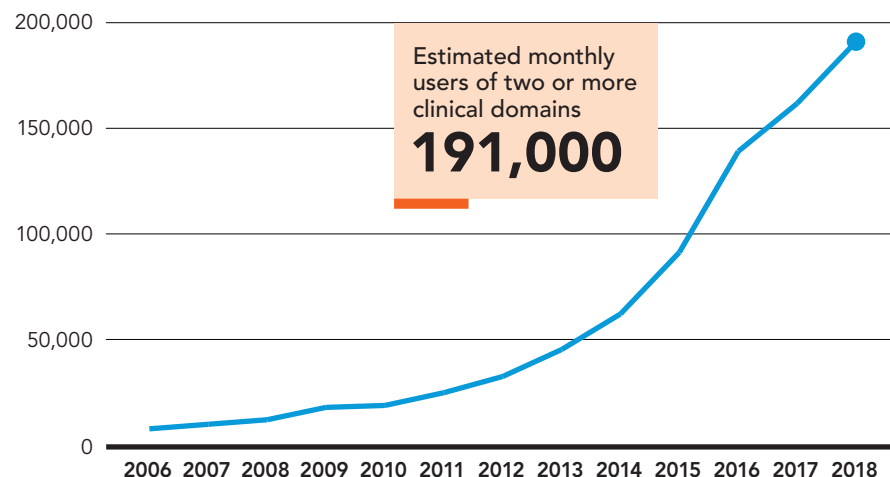
These “foundational investments” have produced an estimated \$26 billion in benefits to Canadians and the health system since 2007. The successful implementation of core systems and related solutions has set the stage for Infoway and the jurisdictions to focus on more advanced uses of digital health, such as e-prescribing and providing Canadians and their providers with access to personal health information and digital health services.

Infoway’s Investment Portfolio Optimization initiative is accelerating the completion and/or closure of remaining foundational projects, and returning unspent funds for use on other priorities.

Availability and Use of Digital Health

The six core systems mentioned above constitute the essence of an EHR — the secure and lifetime record of a person’s health and health care history — that’s available to authorized health care providers and to the individual. EHRs are at various stages of implementation and maturity across Canada. As of January 2018, all provinces and territories were reporting active monthly EHR users (those accessing clinical domains, such as lab information systems, drug information systems or diagnostic imaging repositories). In total, there were nearly 191,000 active users of provincial and territorial EHRs across Canada in 2018, an increase of more than 300 per cent in the past five years.

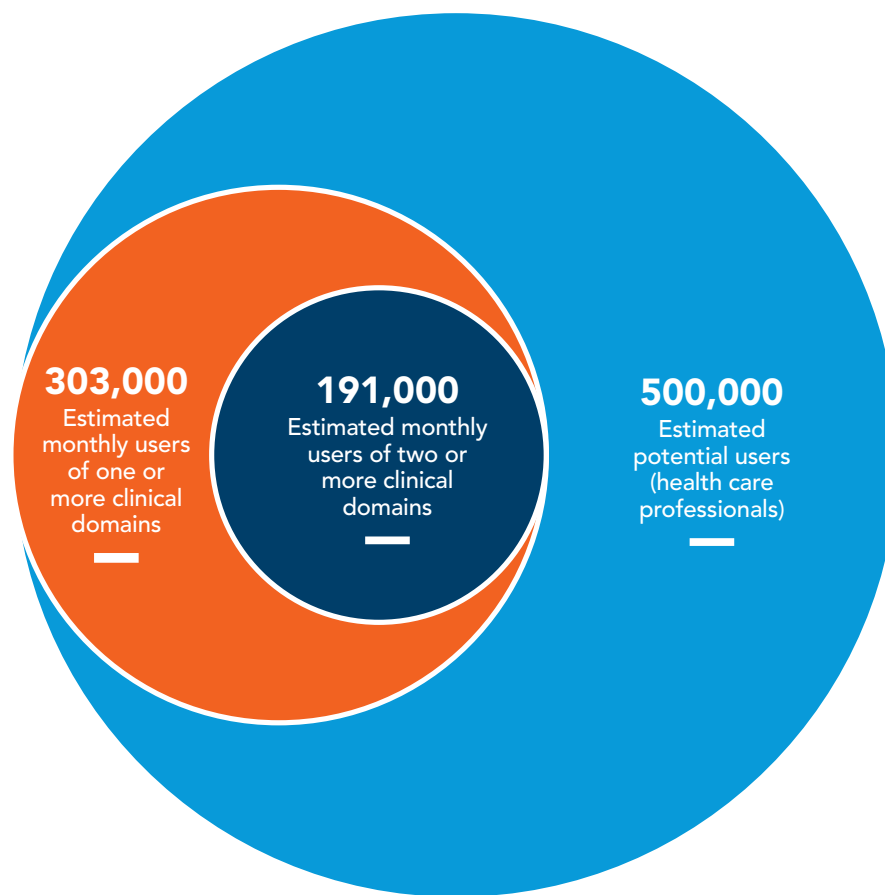
FIGURE 1 Active Monthly Users of Electronic Health Records



It is estimated that there are 500,000 health care professionals (doctors, nurses, pharmacists, other clinicians and administrators) who could benefit from using electronic health records — the patient information that can be accessed through integration with clinical systems such as EMRs, hospital information systems and pharmacy management systems, or through standalone, web-enabled viewers. A majority of them (303,000) are currently accessing at least one clinical domain, such as lab information, drug information or diagnostic imaging, either through integration with clinical systems or via provincial/territorial and/or regional EHRs.

To align with the focus on integration and interoperability of clinical systems, as well as evolving solutions and means of access to health information, the "two or more clinical domains" metric will shift in future years to "integrated EHR users," which reflects more efficient and regular use of data that is relevant to the user and his/her context.

FIGURE 2 Actual and Potential Users of Electronic Health Records

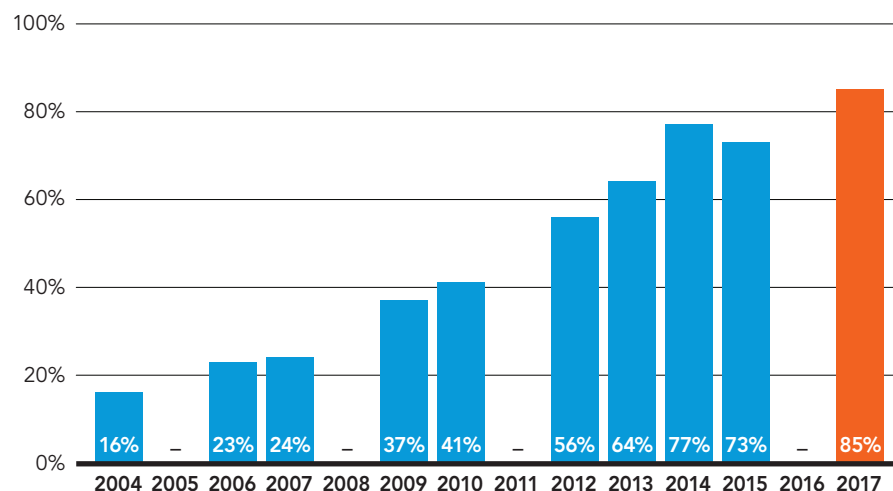


Infoway's complete methodology for estimating EHR use is available on our website at: www.infoway-inforoute.ca/en/component/edocman/resources/reports/benefits-evaluation/2994-measuring-interoperable-ehr-adoption-and-maturity-a-canadian-example?Itemid=101.

The use of electronic medical record (EMR) systems by primary care physicians in Canada continues to grow. An EMR is an office-based system that enables a health care professional, such as a family doctor, to record the information gathered during a patient's visit. This might include things such as weight, blood pressure and symptoms, which would have previously been hand-written and stored in a file folder in a doctor's office. According to the [Canadian Medical Association \(CMA\) 2017 Workforce Survey](#), 85 per cent of family doctors reported that they were using an EMR in 2017. That's more than double the 41 per cent noted in the 2010 National Physician Survey. The use of EMRs by specialist physicians has also more than doubled during that time. Seventy-nine per cent of specialists reported using an EMR in the 2017 CMA survey, compared with 36 per cent in the 2010 National Physician Survey.

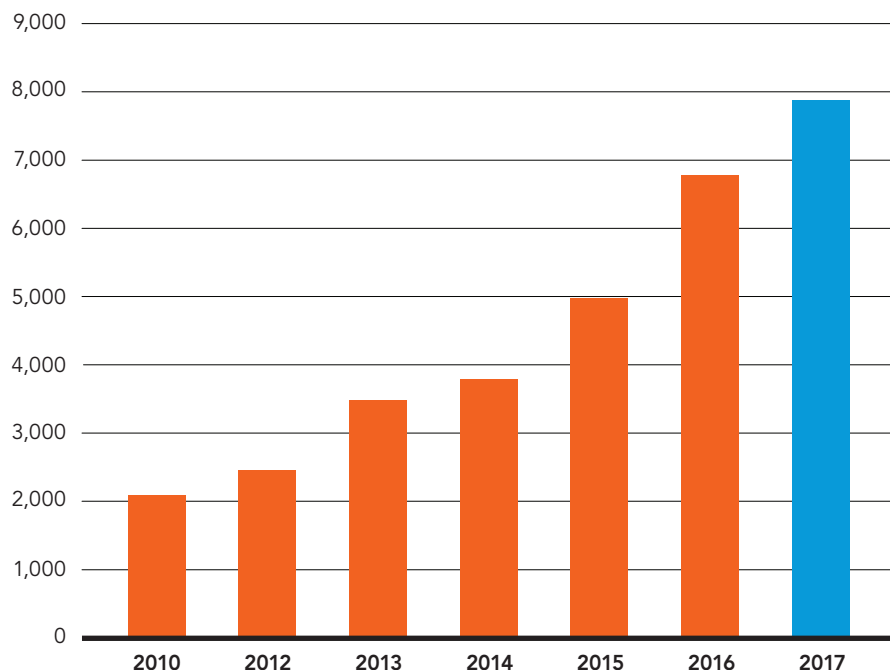
Telehomecare helps patients and their caregivers manage their health while enabling them to stay at home. Telehomecare uses digital technology to monitor patients remotely (e.g., pulse, blood pressure, blood sugar, weight), enabling providers to take or recommend actions when they are alerted to a change in a patient's condition. This can prevent emergency room visits and hospital stays, especially for patients with complex or chronic health problems who frequently seek hospital or other care.

FIGURE 3 Primary Care Physicians Using Electronic Medical Records



Data sources: Commonwealth Fund (2006, 2009, 2012, 2015); National Physician Survey (2004, 2007, 2010, 2013 & 2014); Canadian Medical Association Workforce Survey (2017).

FIGURE 4 Enrollment in Telehomecare Programs



An estimated 7,900 Canadians were enrolled in telehomecare programs in 2017, an increase of about 900 over the previous year. Since 2010, more than 31,500 Canadians with chronic obstructive pulmonary disease and congestive heart failure have benefitted from telehomecare programs, and Infoway evaluations confirm the substantial value of these investments. Altogether, these patients avoided 45,000 emergency department visits and more than 26,000 hospitalizations, representing 188,000 hospital days. Every \$1 invested in telehomecare programs generates more than \$4 in health system value in the first year alone. This value is in addition to the exceptional patient satisfaction and quality of life improvement for these patients.



Remote Patient Monitoring Helps Patients Maintain Independence

Nancy Huyck of Dorchester, Ontario, doesn't let chronic obstructive pulmonary disease get in the way of her daily activities and volunteering. She is enrolled in a Community Paramedicine Program that provides her with digital health tools in her home so she can measure her vitals, such as blood pressure, weight and oxygen levels. The information is then sent to Emergency Medical Services in Middlesex-London, Ontario, so paramedics can monitor Nancy's information and intervene before minor issues become more serious.

"Since I've been on the remote patient monitoring, I've not been to the hospital at all, or to a walk-in clinic, and before then I was there at least once a month," Huyck said. "It has really made a big difference. I'm able to work around the house. If there's a problem, I know enough to stop because you can see your blood pressure and everything. Otherwise, I would just try to keep going."

Scott Rektor is a community paramedic who says the program improves patient care:

"The paramedics are getting direct information from the patient and we're able to communicate that between the patient and their health care provider," he said. "With simple coaching and some teaching along the way, we can work together to keep that person in their home."

► Watch the video to learn more about Nancy's story.
www.infoway-inforoute.ca/nancy

Benefits of Digital Health

As providers began using core EHR systems and implementing related solutions such as telehealth and telehomecare, Infoway commissioned [pan-Canadian benefits evaluation studies](#) to provide insights into the value for Canadians and our health system. Benefits include productivity gains for clinicians, such as those experienced with diagnostic imaging; avoided expenses for patients, such as travel costs avoided by seeing a specialist via telehealth; and avoided expenses to the health system from fewer emergency department visits and hospitalizations for patients with chronic conditions who are able to use telehomecare programs.

While the findings for individual systems were significant, even greater value is being unlocked as these systems are connected and being used by vast numbers of providers. A recently released pan-Canadian study commissioned by Infoway shows that the growing use of connected health information — the information exchanged using interoperable electronic health records (iEHRs) and complementary solutions for sharing information between providers and organizations — is producing significant financial and time saving benefits for patients, providers, our health system and our economy. [Connected Health Information in Canada: A Benefits Evaluation Study](#), found that the greatest benefits are in four areas: reduced duplication of diagnostic testing; more effective use of inpatient settings; more

effective use of emergency departments; and more effective ambulatory (outpatient) interactions.

The study estimated current annual benefits of:

- \$1 billion in health system value (i.e., money that can be reallocated for other health care priorities);
- 18 million hours in time savings for patients (i.e., less time taken off work to go to appointments);
- 5.9 million hours in time savings for providers (i.e., freeing them up to see more patients); and
- \$189 million in economic productivity gains (i.e., through time **NOT** lost from missing work).

As solutions are enhanced with new features and functionalities, and as these solutions are more fully adopted and integrated into point-of-care systems and clinical practices, the study estimates potential annual benefits of:

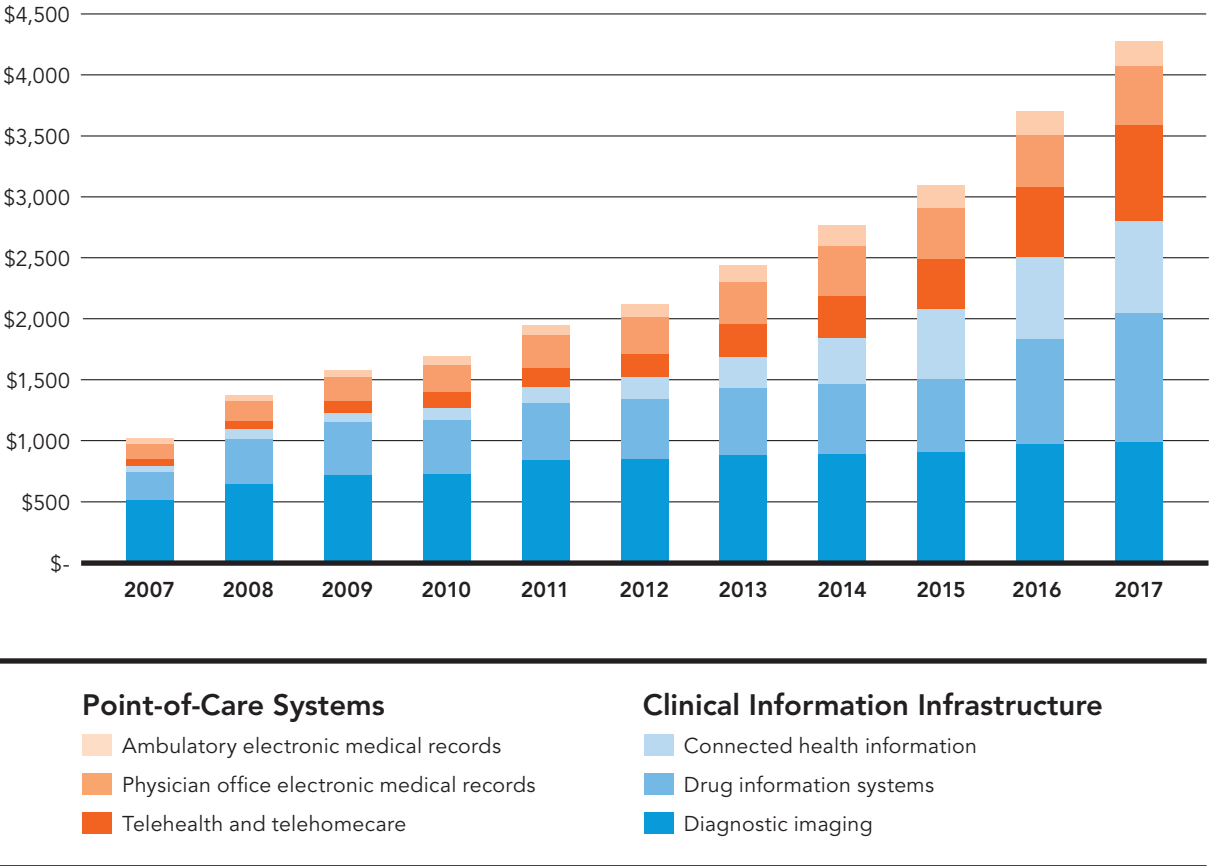
- \$3.9 billion in health system value;
- 76 million hours in time savings for patients;
- 15 million hours in time savings for providers; and
- \$732 million in economic productivity gains.

“It’s fantastic to be able to sit in a clinic appointment now with the doctor and see all the data and medications, everything that she’s on is right there in front of us and that’s just a fantastic change, makes everything flow so much quicker in appointments today, absolutely,” said **Sandra Wallace** of Ottawa, Ontario, whose daughter Camryn has a number of health challenges that require frequent appointments.

“We used to have many medical records in various doctors’ offices and other health care professionals, hospitals, institutions, and we’re starting to see a seamless integration of those health care records so that everybody involved in the care of a patient has access and availability to that same information,” said **Dr. Darcy Marciniuk** of Saskatoon, Saskatchewan. “It’s much more efficient. It breaks down barriers and I think it’s going to improve patient care.”

Infoway estimates that since 2007, **\$26 billion** in benefits have accrued to Canadians and the health care system as a result of investments by Infoway and the jurisdictions in connected health information, telehealth and telehomecare, drug information systems, diagnostic imaging, and physician and ambulatory (outpatient clinic) EMRs. That represents an increase of approximately **\$6.8 billion** in the past year.

FIGURE 5 Estimated Cumulative Benefits
(in millions of dollars – inflation adjusted to 2017 dollars)



Learn more about Infoway’s methodology in [Cumulative Benefits of Digital Health Investments in Canada](#).

Infoway's Current Focus: Driving Access to Care



In its 2017 Budget, the Government of Canada made a commitment to invest \$300 million over five years to enable Infoway to continue to deliver better quality and access to care for all Canadians.

Infoway is grateful for this support and confidence in its ability to transform health care in Canada through digital health, especially at this most critical time.

Research shows that despite the money Canada spends on health care, our country ranks at or near the bottom in international comparisons of timely, equitable access to appropriate care. A study of 11 countries published by The Commonwealth Fund in July 2017¹ found that only 57 per cent of Canadians, on average, can get same or next-day appointments with doctors. Out of frustration, some go to hospital emergency rooms, where 29 per cent of them reported waiting four or more hours to receive attention. Sweden ranked lower at 20 per cent, while France

ranked first, with only one per cent having to wait that long. In terms of online access to health information, such as viewing lab results, Canada ranked third from the bottom, with only six per cent of people able to do so, while France ranked first at 27 per cent. As for the ability to email a doctor with a question, Canada ranked last at four per cent and France was again first, at 24 per cent.

Infoway believes that digital health solutions can turn things around and improve access to care and access to health information for all Canadians, especially those who are most vulnerable and have the greatest need. Improving access will result in better health outcomes and healthier, more productive citizens.

¹ Mirror, Mirror: How the U.S. Health Care System Compares Internationally at a Time of Radical Change, The Commonwealth Fund, July 2017.

Since the Budget announcement, Infoway has developed a strategy called ***Driving Access to Care*** that will see the organization focus on initiatives that will empower Canadians and strengthen their care teams. Infoway will:

- Put patients and their families at the centre of everything we do;
- Ensure providers have the right tools to deliver optimal care;
- Focus on initiatives that deliver meaningful positive impact to Canadians, including improved patient experiences; and
- Establish strategic partnerships and alliances with public and private sector organizations to leverage their collective power to drive innovation.

The two key goals under this strategy are to:

- Provide safer access to medications, starting with PrescribeIT™, a multi-jurisdiction e-prescribing service; and
- Provide Canadians and their providers with access to personal health information and digital health services.

The ***Driving Access to Care*** strategy is aligned with the federal government's health care priorities, including tackling the opioid crisis, and addressing needs like mental health services, providing Canadians with access to their health information, and services for Canada's Indigenous Peoples. It is also aligned with the health care priorities of the provinces and territories.

It will be challenging to turn things around so Canada ranks at or near the top in international comparisons of timely, equitable access to appropriate care. But as a constructive disruptor of the status quo, Infoway is committed to leading the way by working with government and other partners to maximize the potential for digital solutions to transform Canada's health systems.



Toni Williams

Digital Access to Health Information Saves Time

Toni Williams is a busy mom from Duncan, British Columbia, who accesses her family's medical information securely online through the Closing the Circle of Care initiative. It honours the Cowichan Tribes' Indigenous teachings and approach to care by reinforcing the importance of empowerment and the need to work collectively for improved health and wellness.

"Primarily I use it to update information for my daughters, connect with service providers and to stay up-to-date on immunizations and to ask questions," Williams said. "It kind of expands on the nurses' line, being able to ask questions and figure out where I am and should I be more concerned about something."

She says the initiative is also very helpful because it saves time.

"I think often times with parents, everything is go, go, go all day until the kids are finally in bed and that's when you remember some of the small things you were supposed to do," she said. "So being able to message about an appointment, message a concern to our health care provider and to get a response is extremely helpful because that won't usually cross my mind until 9 o'clock at night and then I think oh my goodness, I was supposed to do this two days ago."

► Watch the video to learn more about Toni's story and the Closing the Circle of Care initiative.
www.infoway-inforoute.ca/toni

PrescribeIT™

Canada is among the few developed countries without a national e-prescribing service, so in 2016-2017 Infoway began working with Health Canada, the provinces and territories and industry stakeholders, to create, operate and maintain a financially self-sustaining multi-jurisdiction e-prescribing service called PrescribeIT™. The service connects community-based prescribers (such as physicians and nurse practitioners) through their existing electronic medical record (EMR) systems or standalone applications, to community retail pharmacies' pharmacy management systems. This enables prescribers to transmit a prescription electronically to a patient's pharmacy of choice, eliminating the need for paper prescriptions.

PrescribeIT™ promotes medication safety, and it is more convenient and efficient for patients and providers. It leads to: greater accuracy and fewer errors in filling prescriptions; safer drug use and compliance for better health outcomes; and less fraud and abuse through more and better information at the point of care.

Infoway made significant progress on PrescribeIT™ throughout 2017-2018 (see [PrescribeIT.ca](https://www.prescribeit.ca)). The biggest milestone was reached on August 30, 2017, when the first prescription was transmitted through PrescribeIT™ from a medical clinic to a pharmacy in Huntsville, Ontario. The prescription was for **William T. Neil**.

"It's about time we got rid of the fax machine and I like that my prescription is sent fast and safely to my regular pharmacy," he said.

David Mathies, who is Neil's doctor, practises out of the Algonquin Family Health Team.

"PrescribeIT™ brings prescribing into the 21st century," he said. "PrescribeIT™ is integrated into my electronic medical record, so it lets me send the prescription to my patient's pharmacy with one simple click — it's as easy as pressing send."

Bill Coon, pharmacist and owner at Remedy'sRx Muskoka Medical Pharmacy, was on the receiving end of the first PrescribeIT™ prescription.

"In the short time we have been using PrescribeIT™ we're seeing benefits for the pharmacy and the patients," he said. "The prescription is received directly into our system, which eliminates the need to transcribe the prescription and enables faster communication with the patient's doctor."

2018-2019 will be an equally important year as Infoway works to scale PrescribeIT™ in the two early adopter jurisdictions — Ontario and Alberta — as well as to begin deployment in other jurisdictions, plan for expansion to additional clinical settings, which may include dental clinics, hospitals or long-term care, and explore innovative new functionality for the service.

Infoway will also continue to engage with key stakeholders, including prescribers, pharmacists, patients, retail pharmacies, EMR and pharmacy system vendors, professional organizations and regulatory bodies. As well, Infoway will work with federal and provincial/territorial governments, regulatory bodies and other key stakeholders to seek mandatory e-prescribing for narcotics.

ACCESS Digital Health

Infoway envisions a future where Canadians can access their health information and interact with their providers from the device of their choice to book appointments, view lab results, and communicate through secure messaging, among other things. In this future, patients will be able to use digital tools to access their health information online and better manage their health. Providers will have access to the information and tools they need to care for their patients and to effectively connect and collaborate with one another.

ACCESS Digital Health is the working title for a program that would deliver all of these services, empowering Canadians to better manage their health and strengthening their care teams. Evidence shows that patient-centred care is directly related to improved quality and safety, it lowers health care costs and it enhances the performance of providers. Canadians who can access their health information report that it improves their knowledge of their health, increases their confidence in their ability to manage their conditions, and supports more informed discussions with their doctors. In short, access improves the patient experience and health outcomes.



e-Mental Health Solution Benefits Patients

Mental illness affects one in five Canadians, according to the Centre for Addiction and Mental Health. Increasingly, patients are looking for digital solutions that can provide support and resources. Big White Wall is one of those solutions. It provides online support and resources that patients can use 24/7.

*"With Big White Wall it was an immediacy of contact, either with somebody who was going through a similar situation or had been, or a moderator who could step in and give me nice guidance to get me through that crisis moment safely," said **John Dickson** of Oshawa, Ontario.*

For **Jane Ormrod**, also of Oshawa, Big White Wall means less reliance on loved ones during times of need.

"Family and friends can burn out," she said. "There's only so much they can take of listening to anxiety, listening to your worries, feeling down when you're down. The Big White Wall, however, can do all this and it doesn't burn out."

► Watch the video to learn more about Big White Wall and John and Jane's stories.
www.infoway-inforoute.ca/john-jane



Nathalie Achim



Dr. Clare Liddy

e-Consultation Improves Access to Care

Dr. Clare Liddy, a family physician in Ottawa, Ontario, and Dr. Erin Keely, an Ottawa endocrinologist, created an e-consultation service to alleviate specialist wait times for patients.

"I had referred one of my patients to a specialist for an opinion on his diabetes," Liddy said. They told me it would be six to nine months before he could see the specialist, and that was too long."

With the Champlain BASE™ eConsult Service, family physicians can now have electronic conversations with specialists. In nine years, the service has reduced wait times or eliminated the need for specialist visits altogether for more than 31,000 patients. **Nathalie Achim** of Gatineau, Quebec, is one of those patients. She expected a long wait when her doctor told her a specialist consultation was needed. Instead, her doctor used the Quebec version of the service to connect with a specialist.

"She explained that they had a virtual consult between the two of them and I was able to receive the treatment in my doctor's office without having to see the specialist or take time off work, so it was quick, very quick," Achim said.

► Watch the video to learn more about Nathalie's story and e-consultations.
www.infoway-inforoute.ca/econsulttool

Infoway began promoting the ACCESS Digital Health concept during 2017-2018, with the aim of working toward a multi-jurisdiction service that incorporates things like patient portals, which are already functioning in some areas, with new services to increase Canadians' ability to access their health information on a device of their choice. Investigations were undertaken to identify services and opportunities, as well as potential challenges.

During 2018-2019, Infoway will determine priorities based on stakeholder consultation and opportunity analysis. Infoway will also develop approaches to vendor engagement, business models and procurement. And, it will develop early adopter regional/provincial strategies to guide engagement and implementation. In that regard, in late March 2018, Infoway signed a Memorandum of Understanding with each of the four Atlantic provinces — New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island — who are keen to initiate work on the ACCESS Digital Health program.

Priorities for 2018-2019

In December 2017 Infoway's Board of Directors approved the Corporation's 2018-2019 Summary Corporate Plan — essentially the organization's business plan for the next fiscal year.



The plan defines two strategic goals and performance expectations for each. Below is a synopsis, but for greater context please read the full [2018-2019 Summary Corporate Plan](#).

Provide Safer Access to Medications, Starting with PrescribeIT™, a Multi-Jurisdiction e-Prescribing Service

Infoway will scale the deployment of PrescribeIT™ in the two early adopter jurisdictions, begin deployment in two additional jurisdictions, and plan the expansion of the service to additional clinical settings, such as hospitals, long-term care or dentists. Infoway will also work with federal and provincial/territorial governments, regulatory bodies and other key stakeholders to seek mandatory e-prescribing for narcotics.

Provide Canadians and their Providers with Access to Personal Health Information and Digital Health Services

Infoway will work with jurisdictions to leverage current initiatives and introduce new digital services that will increase Canadians' ability to access their health information on a device of their choice.

Infoway will support these goals by providing ongoing national digital health leadership in areas such as privacy, security, solution architecture and standards, interoperability, clinical engagement, change management and benefits evaluation.

Leadership and Governance

Infoway was established in 2001 as an independent, not-for-profit shared governance corporation.

Infoway is accountable to its Board of Directors and to the Members of the Corporation. Funding agreements provide guiding principles for the use of the funds received from the federal government and set out expected results.

Members of the Corporation

The Members of the Corporation include the deputy ministers of health for the federal, provincial and territorial governments.

Stephen Brown
Deputy Minister of Health
Government of
British Columbia

Milton Sussman
Deputy Minister of Health
Government of Alberta

Max Hendricks
Deputy Minister of Health
Government of
Saskatchewan

Karen Herd
Deputy Minister of Health,
Seniors and Active Living
Government of Manitoba

Dr. Robert Bell
Deputy Minister of Health
and Long-Term Care
Government of Ontario

Michel Fontaine
Sous-ministre du
ministère de la Santé et
des Services sociaux
Gouvernement du Québec

Tom Maston
Deputy Minister of Health
Government of
New Brunswick

Denise Perret
Deputy Minister of
Health and Wellness
Government of
Nova Scotia

Kim Critchley
Deputy Minister of
Health and Wellness
Government of Prince
Edward Island

John Abbott
Deputy Minister of Health
and Community Services
Government of
Newfoundland and
Labrador

Stephen Samis
Deputy Minister of Health
and Social Services
Government of Yukon

Bruce Cooper
Deputy Minister of Health
and Social Services
Government of the
Northwest Territories

Colleen Stockley
Deputy Minister of
Health and Social Services
Government of Nunavut

Simon Kennedy
Deputy Minister of Health
Government of Canada

Board of Directors

The Board includes two federal appointees, five provincial/territorial appointees and six independent directors.

Federal Appointees

Dr. Peter Vaughan (2017)*
Chair
Former Deputy Minister of Health and Wellness for Nova Scotia

Abby Hoffman (2016)
Assistant Deputy Minister, Strategic Policy, Health Canada

Provincial and Territorial Appointees

Richard Audet (2013)
Sous-ministre associé aux technologies de l'information
Ministère de la Santé et des Services sociaux
Gouvernement du Québec

Dr. Robert Bell (2015)
Deputy Minister of Health and Long-Term Care
Government of Ontario

Karen Herd (2013)
Deputy Minister of Health, Seniors and Active Living
Government of Manitoba

Tom Maston (2014)
Deputy Minister of Health
Government of New Brunswick

Corrie Barclay (2018)
Assistant Deputy Minister, Health Sector IM/IT, Ministry of Health, Government of British Columbia

Independent Directors

Christine McGinley
Vice Chair (2012)
Corporate Director, Calgary

Josée Morin (2017)
C.Dir., ENG., MBA,
Corporate Director, Québec

Ian Brodie (2012)
Associate Professor, Faculty of Arts
University of Calgary

Kimberley (Kim) Brooks (2016)
Professor, Dalhousie University, Halifax

David Brown (2013)
Counsel, Davies Ward Phillips & Vineberg LLP

Dr. Victoria Lee (2017)
Chief Medical Health Officer and Vice-President, Population Health
Fraser Health Region, British Columbia

We would like to thank our departing directors Christine McGinley and Ian Brodie for their exceptional contributions.

Board Committees

Finance, Investment and Audit Committee

The Finance, Investment and Audit (FI&A) Committee assists the Board in fulfilling its oversight responsibilities for managing the financial affairs of the Corporation, investment of the financial assets, effective internal controls and financial reporting, audit and risk management functions, public accountability and the Corporation's compliance with laws and regulations and the code of conduct.

The FI&A Committee reviews the financial statements and recommends their approval by the Board of Directors.

Members

Christine McGinley (Chair), Ian Brodie, Kim Brooks, David Brown, Kim Butler (External Member), Josée Morin, Peter Vaughan (Board Chair) (ex-officio), Michael Green (CEO) (ex-officio) (non-voting).

Governance Committee

The Governance Committee assists the Board in fulfilling its obligations by providing a focus on corporate governance, with a view to enhancing the Board's performance.

Members

Ian Brodie (Chair), Kim Brooks, Victoria Lee, Peter Vaughan (Board Chair) (ex-officio), Michael Green (CEO) (ex-officio) (non-voting).

Compensation and Human Resources Committee

The Compensation and Human Resources Committee serves as an advisory committee and assists the Board in discharging its responsibilities relating to compensation, organization structure as well as the staffing component of the Corporation's Executives. The Committee has the overall responsibility for evaluating and recommending compensation plans and policies of the Corporation.

Members

David Brown (Chair), Christine McGinley, Peter Vaughan (Board Chair) (ex-officio), Michael Green (CEO) (ex-officio) (non-voting), Maureen Berry (Human Resources Executive) (ex-officio) (non-voting).

Executive Management

Michael Green

President and Chief Executive Officer

Denis Gauthier

Corporate Secretary and Executive Vice President, Partnerships and Performance

Michèle Jémus

Chief Financial Officer and Executive Vice President, Business Services

Shelagh Maloney

Executive Vice President, Digital Health Engagement and Marketing

Roberta (Bobbi) Reinholdt

Executive Vice President, PrescribeIT™

Lynne Zucker

Executive Vice President, ACCESS Digital Health

* For each member, indicates year appointed to the Board.

Infoway 2.0

Infoway 2.0 was launched in April 2018 with a vision for an even more nimble, creative, and business-like organization. This includes a new organization structure that enabled a stronger focus on ACCESS and PrescribeIT™, clarified cross-functional mandates, invested in new capabilities and provided operational efficiencies.

Infoway 2.0 provides an organizational roadmap with five key areas of focus:



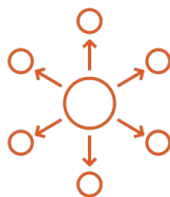
A clear and unifying vision: We have committed to our new strategy of delivering pan-Canadian solutions and are actively clarifying our ACCESS mandate. We will keep our strategy fresh through a refined strategic planning process that integrates the latest internal and external perspectives. In addition, we will make it clear how every team member connects to this strategy.



Strong and inspiring leadership: We will build a team of leaders across the organization that we are proud of, starting with the new Infoway Leadership Team (ILT), previously known as “EMC.” The team will be unified, have clear mandates and work closely together to deliver our strategy.



A talented and passionate team: Infoway will continue its legacy of investing in a talented and passionate team. We will improve our performance management approach to ensure we are operating as the highest performing team possible. We will invest in new HR tools and systems. We will continue to develop and bring in new capabilities required to help us achieve our ambitious mandate. We will create a culture that is more nimble, less siloed and more performance-oriented.



Smart organization structure: We have made bold changes – a simpler structure that is more focused to deliver our strategy. We will clarify mandates, simplify hand-offs, streamline decision-making, and drive focus. We will augment our Board to align to our new strategy.



Modern tools and ways of working: We will invest in new tools and technologies that are smart and simple to use. This includes implementing a new Client Relationship Management system, updating our dashboards and reporting, modernizing our workspaces, and refreshing the computers and software we use.

Highlights of the Infoway 2.0 organizational changes include:

- Streamlining of the CEO direct reports and re-focusing of the Executive mandates to allow greater focus on Infoway's two key strategic priorities;
- Providing dedicated leadership for PrescribeIT™ and ACCESS, with more decision rights and capabilities embedded. This includes establishing practices for different functions that will be accountable for ensuring that Infoway is leveraging best practices, driving consistency across business units, and building greater capabilities;
- Investing in a new Partnerships and Performance mandate which enables a focus on Infoway's government relationship development and reporting. This group includes regionally based teams, who are closest to Infoway's clients and other stakeholders, and who drive the acquisition of contracts and ensure the successful implementation of projects and solutions;
- Investing in a new Digital Health Engagement and Marketing team to ensure Infoway is building strategic relationships and telling a unified and inspiring Infoway story to all key stakeholders through a refreshed brand identity and consistent engagement frameworks;
- Aligning in core business functions under Business Services (e.g., finance, IT, procurement, strategic planning, privacy and security, and human resources) to streamline the organization, reduce hand-offs, and modernize how work gets done; and
- Creating new Advisory Groups composed of key external leaders who provide forward-looking perspectives on consumers, technology, and health care, to inform Infoway's strategic planning process.

The expected benefits of Infoway 2.0 are:

- Build a **higher performing team delivering game-changing work** and create an environment where all can leverage the rich skills and experience to do meaningful work;
- Honour Infoway's legacy of providing an environment where **individuals feel valued and are proud** to work within Infoway;
- Drive **significant improvements for Canadian patients and clinicians**, helping to ensure that people have improved access to high quality and timely care; and
- Create **innovative health care solutions** that leverage leading technology, build new commercial/private partnerships, provide patients greater choice and control, and enable clinicians to focus on providing care (versus doing paperwork).

Risk Management Activities

Infoway has been on its Enterprise Risk Management (ERM) journey for more than a decade. In that time, the organization has developed a risk management framework and practices tailored to the organization's role as a strategic investor. In continuing to drive digital health for Canadians, the organization's role is evolving to one of strategic partner and service provider, which changes the organization's risk exposure related to its operations.

Infoway is therefore evolving its ERM framework to increase its fit to the PrescribeIT™ and ACCESS solution provider business model. Over the course of the year considerable focus was placed on addressing the new risks emanating from the PrescribeIT™ and ACCESS initiatives, including:

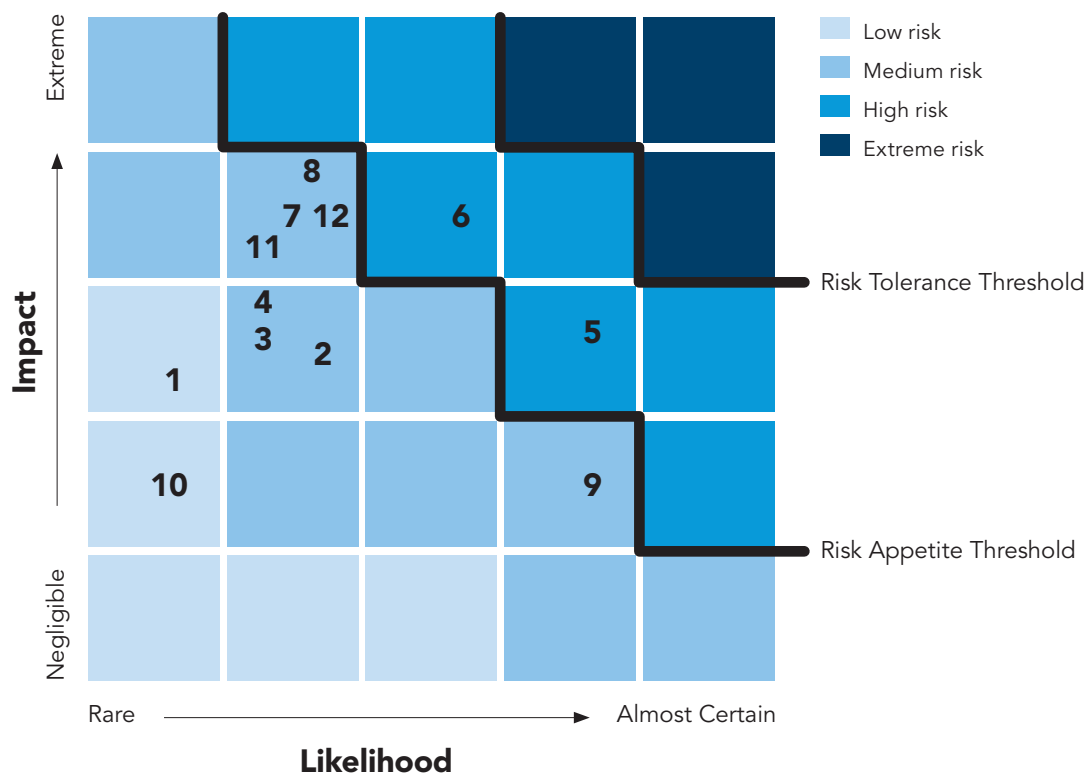
- Appointment of a Chief Privacy and Security Officer;
- Decentralization of the ERM with delegation to business units;
- Development of additional risk registers to specifically address PrescribeIT™'s risks; and
- Significant changes in insurance coverages.

In its assessment of its current risk profile and identification of risk exposure related to new operations such as PrescribeIT™, Infoway has streamlined enterprise-risk levels from 12 categories to four categories.

FIGURE 6 Enterprise Risk Categories



FIGURE 7 Risk Map as at March 31, 2018



Infoway has developed and implemented measures designed to mitigate risks where possible. Through its Finance, Investment and Audit Committee, the Board reviews, on a quarterly basis, Management's assessment of the key risks, including any emerging and new risks, as well as the mitigation tactics to ensure the successful attainment of Infoway's goals.

Over the course of the coming year, Infoway will be focusing efforts on enhancing and maturing the organization's capabilities in risk assessment, risk mitigation planning and evaluation, and strengthening the integration of ERM into business practices.

Key Risk Areas

- | | | |
|---|----------------------------|-------------------------|
| 1 Annual Corporate Plan and Operational Goals | 5 Privacy and Security | 9 People |
| 2 Reputational | 6 Implementation | 10 IT (including Cyber) |
| 3 Benefits Realization | 7 Stakeholder Relationship | 11 Regulatory/Legal |
| 4 Adoption | 8 Program/Project | 12 Inadequate Funding |

Financial Results



The following section provides an overview of Infoway's operations and a detailed explanation of its financial statements and should be read in conjunction with those statements. This discussion and analysis is the responsibility of Management.

Management's Discussion and Analysis

During the 2017-2018 fiscal year, Infoway entered into an agreement with the Government of Canada for an additional contribution of \$300 million for the purpose of developing ACCESS Digital Health and accelerating the development of PrescribeIT™.

For the 2017-2018 fiscal year, expenses totalled \$124.7 million, which is a 13% increase from the \$110 million expensed in the previous fiscal year. This \$14.7 million increase in expenses is the result of an \$18.5 million decrease in expenses from the legacy projects and a \$33.2 million increase in expenses from strategic initiatives. Operating expenses remained stable at \$16.9 million.

Investment income, net of custodial and investment management fees and change in fair value of investments, amounted to \$1.3 million for fiscal year 2017-2018 compared to \$2.1 million for the previous year. This decrease is due to the declining balance of funds from the earlier contribution agreements where Infoway was the beneficiary of the interest revenues as opposed to the later contribution agreements where interest revenues are to be remitted to the Government of Canada.

Total remuneration, including any fee, allowance or other benefits paid to its 141 full-time employees for the fiscal year amounted to \$25.2 million, of which \$4.9 million was paid to Infoway's management executives, officers and Board of Directors involved in the deployment or execution of the purpose of the funding agreements.

Strategic Initiatives

In the 2016-2017 fiscal year, Infoway entered into an agreement with the Government of Canada for a contribution of \$50 million to develop the PrescribeIT™ and Telehomecare strategic initiatives. As at March 31, 2018, Infoway had fully expensed the \$50 million.

In the 2017-2018 fiscal year, Infoway entered into an agreement with the Government of Canada for an additional contribution of \$300 million for the purpose of developing ACCESS Digital Health and accelerating the development of PrescribeIT™. As of March 31, 2018, Infoway had expensed \$17.1 million of the \$300 million. Infoway expects to spend \$50 millions over the course of 2018-2019.

Legacy Projects and Programs

Since inception, Infoway has received contributions of \$2,100 million and the Board approved specific strategies for 12 investment programs. Over the course of the years Infoway has worked closely with the jurisdictions to define specific projects within the 12 programs. As of March 31, 2018, Infoway had disbursed \$2,024 million of the \$2,100 million and had commitments for an additional \$97 million. Of this amount, a budget of \$67 million is forecasted for 2018-2019.

Infoway has set a goal to accelerate the completion and/or closure of these projects by June 30, 2018, recouping any unspent funds for reinvestment in Infoway's new strategic priorities. As of March 31, 2018, there were 25 in-scope projects representing a total of approximately \$40 million in unspent funds.

FIGURE 8 Project Information as at March 31, 2018

(in millions of dollars)

| FOUNDATIONAL PROGRAMS | INVESTMENT EXPENDITURES | COMMITMENTS | TOTAL* |
|--------------------------------|-------------------------|-------------|----------------|
| Infostructure | 70.0 | – | 70.0 |
| Interoperable EHR | 342.7 | 7.5 | 350.2 |
| Innovation & Adoption | 121.9 | 1.8 | 123.7 |
| Diagnostic Imaging Systems | 359.1 | 8.2 | 367.3 |
| Laboratory Information Systems | 158.8 | 2.9 | 161.7 |
| Drug Information Systems | 177.4 | – | 177.4 |
| Registries | 126.8 | 0.4 | 127.2 |
| Telehealth | 106.5 | 2.6 | 109.1 |
| Public Health Surveillance | 124.7 | 18.7 | 143.4 |
| Patient Access to Quality Care | 45.0 | – | 45.0 |
| EMR & Integration | 316.8 | 23.2 | 340 |
| Consumer Health Solutions | 74.5 | 31.4 | 105.9 |
| Total | 2,024.2 | 96.7 | 2,120.9 |

All values are cumulative since inception. *Net of project surpluses from completed projects.

Independent Auditors' Report

To the Members of **Canada Health Infoway Inc.**

We have audited the accompanying financial statements of **Canada Health Infoway Inc.**, which comprise the balance sheet as at March 31, 2018 and the statements of operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with

Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Canada Health Infoway Inc.** as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Ernst & Young LLP*¹

Montréal, Canada
May 23, 2018

¹CPA auditor, CA, public accountancy permit no. A120803

Balance sheet

As at March 31
[In thousands of dollars]

| | 2018 \$ | 2017 \$ |
|---|------------|------------|
| ASSETS | | |
| Current | | |
| Cash | 1,114 | 877 |
| Temporary investments [note 3] | 214,323 | 121,622 |
| Receivables | 25,014 | 1,272 |
| Sales tax recoverable | 2,534 | 2,810 |
| Prepaid expenses | 1,460 | 1,606 |
| | 244,445 | 128,187 |
| Portfolio investments [note 3] | 1,811 | 154,439 |
| Tangible assets [note 4] | 181 | 181 |
| Intangible assets [note 5] | 4,094 | 8,197 |
| | 250,531 | 291,004 |
| LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS | | |
| Current | | |
| Accounts payable and accrued liabilities [note 6] | 96,698 | 83,040 |
| | | |
| Deferred contributions [note 7] | 149,558 | 199,586 |
| Deferred capital contributions [note 7] | 4,275 | 8,378 |
| | 153,833 | 207,964 |
| | | |
| Net assets | — | — |
| | 250,531 | 291,004 |

On behalf of the Board:



Dr. Peter W. Vaughan
Director



Christine McGinley
Director

Commitments [note 8]
See accompanying notes to financial statements

Statement of operations

Year ended March 31
[In thousands of dollars]

| | 2018 \$ | 2017 \$ |
|--------------------------------|------------|------------|
| EXPENSES | | |
| Programs and projects | | |
| PrescriberIT™ | 23,708 | 7,371 |
| Access Digital Health | 13,502 | — |
| Diagnostic Imaging Systems | 12,908 | 8,824 |
| Consumer Health Solutions | 12,754 | 13,367 |
| Interoperable EHR | 11,392 | 7,556 |
| Public Health Surveillance | 7,273 | 5,573 |
| Electronic Medical Record | 6,844 | 17,987 |
| Telehomecare | 6,252 | 2,755 |
| Innovation and Adoption | 4,268 | 2,038 |
| Infostructure | 2,717 | 3,981 |
| Drug Information Systems | 2,442 | 7,379 |
| Laboratory Information Systems | 2,281 | 10,636 |
| Telehealth | 1,100 | 1,118 |
| Registries | 311 | 709 |
| Patient Access to Quality Care | — | 3,666 |
| Digital Health Ecosystem | — | 121 |
| | 107,752 | 93,081 |
| Operating | 16,942 | 16,916 |
| | 124,694 | 109,997 |

| | 2018 \$ | 2017 \$ |
|--|------------|------------|
| REVENUE | | |
| Contribution from restricted resources [note 7] | 120,474 | 109,693 |
| Amortization of deferred contributions relating to: | | |
| Tangible assets | 88 | 155 |
| Intangible assets | 4,132 | 149 |
| | 124,694 | 109,997 |
| Excess of revenue over expenses for the year, being net assets at end of year | — | — |

See accompanying notes to financial statements

Statement of cash flows

Year ended March 31
[In thousands of dollars]

| | 2018 \$ | 2017 \$ |
|---|-----------------|------------------|
| OPERATING ACTIVITIES | | |
| Contribution received from the Government of Canada | 54,846 | 58,877 |
| Restricted investment income received | (22,140) | 3,315 |
| Cash paid for projects, programs and operating expenses | (92,268) | (103,757) |
| Cash used in operating activities | (59,562) | (41,565) |
| INVESTING ACTIVITIES | | |
| Net disposal of investments | 59,916 | 49,598 |
| Acquisition of tangible assets | (88) | (81) |
| Acquisition of intangible assets | (29) | (8,063) |
| Cash provided by investing activities | 59,799 | 41,454 |
| Net change in cash during the year | 237 | (111) |
| Cash, beginning of year | 877 | 988 |
| Cash, end of year | 1,114 | 877 |

See accompanying notes to financial statements

Notes to financial statements

March 31, 2018

[Amounts in tables are in thousands of dollars]

1. Incorporation and nature of operations

The Corporation was incorporated by Letters Patent on January 22, 2001 under Part II of the *Canada Corporations Act* and commenced active operations on March 21, 2001. The Corporation is a not-for-profit entity, as such, is exempt from income taxes. On September 5, 2013, in order to make the transition under the new Canada Not-for-profit Corporations Act, the objectives of the Corporation have been updated to reflect current realities and potential future opportunities.

The objectives of the Corporation are as follows:

- a) Accelerate and promote the development, adoption and benefits of modern, innovative and transformative systems of electronic health information and communication technologies;
- b) Enter into arrangements with the governments of Canada, the provinces and territories, corporations, not-for-profit organizations, other persons, international governments and international organizations relating to the development, implementation, adoption and use of electronic health information and communication technologies;

- c) Define, maintain and promote the use of architectures, frameworks, standards, and other enablers to support the compatibility, interoperability and benefits derived from electronic health information and communication technologies;
- d) Promote principles and practices that protect personal privacy, confidentiality of individual records and security of health information;
- e) Share knowledge, expertise and skills to promote better health and health care for Canadians.

The Corporation was funded by the Government of Canada with an initial contribution of \$500,000,000 on March 21, 2001, by an additional contribution of \$600,000,000 on July 31, 2003 and by another contribution of \$100,000,000 on June 8, 2004. These contributions were received in the form of global direct payment.

On March 30, 2007, the Corporation entered into an agreement with the Government of Canada for an additional contribution of \$400,000,000. As at March 31, 2018, the Corporation received contributions amounting to \$394,987,420 [\$387,184,758 – 2017]. These contributions were disbursed on demand according to the annual cash flow requirements.

On March 30, 2010, the Corporation entered into an agreement with the Government of Canada for an additional contribution of \$500,000,000. As at March 31, 2018, the Corporation received contributions amounting to \$474,019,645 [\$455,974,660 – 2017]. These contributions were disbursed on demand according to the annual cash flow requirements.

On February 28, 2017, the Corporation entered into an agreement with the Government of Canada for an additional contribution of \$50,000,000. As at March 31, 2018, the Corporation received contribution amounting to \$50,000,000 [\$21,000,000 – 2017]. These contributions were disbursed on demand according to the annual cash flow requirements.

On March 28, 2018, the Corporation entered into an agreement with the Government of Canada for an additional contribution of \$300,000,000. That contribution will be disbursed on demand according to the annual cash flow requirements.

The contributions are restricted and are subject to terms and conditions set out in the related funding agreements.

Notes to financial statements

March 31, 2018

[Amounts in tables are in thousands of dollars]

2. Significant accounting policies

The financial statements have been prepared by management in accordance with Part III of the CPA Canada Handbook – Accounting standards for Not-for-Profit Organizations which sets out generally accepted accounting principles for not-for-profit organizations in Canada and include the significant accounting policies described hereafter.

Use of estimates

The preparation of financial statements in conformity with Accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Revenue recognition

The Corporation follows the deferral method of accounting for contributions.

Externally restricted contributions from the Government of Canada and investment income on deferred contributions are initially recorded in

the accounts as deferred contributions and then recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of tangible and intangible assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the depreciation and amortization rate for the related assets.

Cash

Cash includes only bank balances. Cash with investment managers and highly liquid short-term investments with a maturity of one year or less from the date of acquisition are considered as temporary investments.

Investments

Temporary and portfolio investments are recognized at their fair value at the balance sheet date using the trade date value. Changes arising from their subsequent measurements are recorded in deferred contributions. The fair value of investments is based on the quoted market prices obtained from the independent investment custodian. Transaction costs to acquire or dispose of these investments are recorded in deferred contributions in the period during which they are incurred.

Receivables

Receivables include the contribution receivable from the Government of Canada when the Corporation's claimable amount for the year just ended exceeds the amount received. Receivables are initially recorded at fair value and subsequently measured at amortized cost.

When there are indications of possible impairment, the Corporation determines if there has been a significant adverse change to the expected timing or amounts of future cash flows expected from the receivables. Reversals are permitted, but the adjusted carrying amount of the receivables shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

Tangible assets

Tangible assets consist of equipment and are carried at cost, less accumulated depreciation. Assets are amortized over their estimated useful lives using the straight-line method. Depreciation rates are the following:

| | |
|--------------------|---------|
| Computer equipment | 3 years |
| Office equipment | 5 years |

Notes to financial statements

March 31, 2018

[Amounts in tables are in thousands of dollars]

Intangible assets

Intangible assets are carried at cost, less accumulated amortization. Software and licenses are amortized over their estimated useful lives using the straight-line method on the lesser of duration of the license or 3 years.

Impairment

Tangible and intangible assets are assessed for impairment whenever events or changes in circumstances indicate that they no longer have any long term service potential to the Corporation. The impairment loss, the amount by which the carrying amount of these assets exceeds their residual value, if any, is charged to operations.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are initially recorded at fair value and subsequently measured at amortized cost. Accounts payable and accrued liabilities include the contribution repayable to the Government of Canada when the amount received exceeds the Corporation's claimable amount for the year just ended.

Allocation of expenses

Some operating expenses such as information technology, office facilities, depreciation and some support functions were allocated to Programs and Projects based on level of effort and volume of projects. Total allocated expenses for the year ended March 31, 2018 was \$2,626,059 [\$2,367,793 – 2017].

3. Investments

| | FAIR VALUE | |
|------------------------------|----------------|----------------|
| | 2018 \$ | 2017 \$ |
| TEMPORARY INVESTMENTS | | |
| Bonds | 156,367 | 91,345 |
| Pooled Money Market Funds | 57,956 | 30,277 |
| | 214,323 | 121,622 |
| PORTFOLIO INVESTMENTS | | |
| Bonds | 1,811 | 154,439 |
| | 216,134 | 276,061 |

Bond maturities range between April 2018 and February 2024.

Through its investments, the Corporation is exposed to credit risk. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. It is the Corporation's policy to only invest in debt of counterparties with at least A- [or its equivalent category] investment ratings. Rating for at least two of the four following rating agencies: Moody's Investors Service Inc., Standard & Poor's Ratings Services, Fitch Rating Ltd. and DBRS Ltd. are applied for the up-front multi-year funding [2007 EHICT Fund and the 2010 Budget Grant Fund]. The principal amount will not be invested in shares, warrants, or other equities, convertible debt securities, derivatives, swaps, options or futures.

The Corporation is exposed to interest rate risk on temporary and portfolio investments because the fair value will fluctuate due to changes in market interest rates. For the year ended March 31, 2018, the effective interest rate on investments varied between 0.3% and 2.2% [0.5% and 1.6% – 2017] depending on their respective maturities.

Notes to financial statements

March 31, 2018

[Amounts in tables are in thousands of dollars]

4. Tangible assets

Tangible assets include the following:

| | COST \$ | ACCUMULATED DEPRECIATION \$ | NET BOOK VALUE \$ |
|-----------------------|--------------|-----------------------------------|-------------------------|
| MARCH 31, 2018 | | | |
| Computer equipment | 2,037 | 1,964 | 73 |
| Office equipment | 1,729 | 1,621 | 108 |
| | 3,766 | 3,585 | 181 |
| MARCH 31, 2017 | | | |
| Computer equipment | 1,957 | 1,929 | 28 |
| Office equipment | 1,721 | 1,568 | 153 |
| | 3,678 | 3,497 | 181 |

5. Intangible assets

Intangible assets include the following:

| | COST \$ | ACCUMULATED AMORTIZATION \$ | NET BOOK VALUE \$ |
|-----------------------|------------|-----------------------------------|-------------------------|
| MARCH 31, 2018 | | | |
| Software and licenses | 12,913 | 8,819 | 4,094 |
| MARCH 31, 2017 | | | |
| Software and licenses | 12,884 | 4,687 | 8,197 |

6. Restructuring provision

With the approval of the Corporation's Board of Directors, the Corporation recognized a restructuring provision of \$6,075,921 during the year ended March 31, 2018, consisting essentially of severance charges, of which \$3,813,439 were included in Programs and Projects expenses and \$2,262,482 in Operating expenses in the Statement of operations and under Accounts payable and accrued liabilities in the Balance sheet as at March 31, 2018.

Notes to financial statements

March 31, 2018

[Amounts in tables are in thousands of dollars]

7. Deferred contributions

Deferred contributions related to expenses of future periods represent unspent externally restricted contributions, together with investment revenue earned, which have been restricted for the purpose defined in the objectives of the Corporation.

| | 2018 \$ | 2017 \$ |
|---|------------------|------------|
| Deferred contributions, beginning of year | 199,586 | 261,067 |
| Current year contribution from the Government of Canada | 63,994 | 63,312 |
| Contribution receivable from (repayable to) the Government of Canada | 5,064 | (9,148) |
| Investment income earned on contribution received during the year | 228 | 129 |
| Investment income earned on resources restricted to finance future disbursements: | | |
| Interest income | 4,835 | 6,459 |
| Loss on sale of investments | (3,233) | (3,836) |
| Change in fair value of investments | (11) | (220) |
| Custodial and portfolio management fees | (314) | (340) |
| | 1,277 | 2,063 |
| Income recognized as revenue during the year | (120,474) | (109,693) |
| Amount applied toward tangible and intangible assets acquired during the year | (117) | (8,144) |
| Deferred contributions, end of year | 149,558 | 199,586 |

The deferred contributions at the end of the year consist of:

| | | |
|---|-----------------|----------|
| Contributions related to the 2001-2004 Funding agreements | 164,207 | 210,639 |
| Contributions related to the 2007 Funding agreement | (1,333) | (2,018) |
| Contributions related to the 2010 Funding agreement | (17,847) | (17,690) |
| Contributions related to the 2017 Funding agreement | 4,531 | 8,655 |
| Deferred contributions, end of year | 149,558 | 199,586 |

Notes to financial statements

March 31, 2018

[Amounts in tables are in thousands of dollars]

Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received and applied toward the purchase of tangible and intangible assets. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related tangible and intangible assets.

| | 2018 \$ | 2017 \$ |
|--|----------------|------------|
| Deferred capital contributions, beginning of year | 8,378 | 538 |
| Contribution applied toward the purchase of: | | |
| Tangible assets | 88 | 81 |
| Intangible assets | 29 | 8,063 |
| | 117 | 8,144 |
| Amount amortized to revenues during the year related to: | | |
| Tangible assets | (88) | (155) |
| Intangible assets | (4,132) | (149) |
| | (4,220) | (304) |
| Deferred capital contributions, end of year | 4,275 | 8,378 |

Notes to financial statements

March 31, 2018

[Amounts in tables are in thousands of dollars]

8. Commitments

Contractual commitments

Since inception, the Corporation was awarded funding totaling \$2.45 billion to finance specific projects approved and committed to by the Board of Directors, subject to terms and conditions set out in the related funding agreements.

In accordance with its investment strategy, the Corporation has, since its inception, committed to finance, in whole or in part, project expenses totaling \$2.31 billion subject to the achievement of certain milestones by the Corporation's project sponsors. As of March 31, 2018, the unspent portion of these projects amounted to \$233 million of which \$94.8 million represents contractual commitments over the next three fiscal years.

The Corporation entered into a Master Services agreement (the "Agreement") with a supplier for the outsourcing of certain technology services. The Corporation's total commitment under the Agreement, which will expire in 2023, amount to \$52.3 million.

Operating lease commitments

The Corporation rents premises under operating leases which expire November 30, 2020.

Minimum annual rental payments to the end of the lease terms are as follows:

| | \$ |
|------|-------------|
| 2019 | 1,742 |
| 2020 | 1,626 |
| 2021 | 332 |
| | <hr/> 3,700 |

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